UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/48/498
13 October 1993

ORIGINAL: ENGLISH

Forty-eighth session
Agenda item 12

REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Special assistance to Namibia

Report of the Secretary-General

1. In its resolution 46/204 of 20 December 1991, the General Assembly endorsed the decision of the Economic and Social Council in its resolution 1991/50 to invite States, organizations of the United Nations system and other donor agencies to grant Namibia for a number of years assistance of a scope comparable to that given to a least developed country, and requested them to give special consideration to extending to Namibia, during the period immediately after independence, special assistance of a scope comparable to that given to a least developed country.

2. The Governing Council of the United Nations Development Programme (UNDP), in its decision 91/14 taken at its thirty-eighth session in June 1991, had granted Namibia an "as if" least developed country (LDC) status vis-à-vis UNDP assistance, and recommended that other United Nations agencies do the same. This makes Namibia eligible for additional assistance from specialized funds such as the United Nations Capital Development Fund (UNCDF), the United Nations Sudano-Sahelian Office (UNSO), and the Special Programme Reserve for LDCs. Namibia would also be treated on concessional terms by potential lenders and would enjoy full LDC privileges when participating in United Nations conferences and donor negotiations related to round-table and similar arrangements.

3. The UNDP Trust Fund for Namibia, which was established in September 1989 to mobilize resources to finance technical and/or capital assistance projects for the carrying out of essential services during the transition period and immediately after independence, has continued to be a valuable vehicle for assistance to this newly independent country. A number of activities have been successfully completed under all the priority projects receiving finance from the Fund in the areas of agriculture and rural development, education and training, health and housing. It is envisaged that the Trust Fund will continue for some time as a vehicle for co-financing the extension of ongoing projects

within the framework of the first country programme for Namibia (1993-1997). As at the end of 1992, the Fund had received contributions of $4.4 million from Chile, Cyprus, Finland, Norway and Sweden.

4. The first UNDP country programme for Namibia, covering the period 1993-1997, was approved by the Governing Council in June 1993. Total IPF resources amount to some $14.4 million. Government cost-sharing is projected at the level of $1.2 million. The programme is built on the foundation laid in the interim country programme that was put in place during the period 1990-1992. It focuses on two themes: strengthening economic management and development administration, and human development. The country programme includes a United Nations Development Fund for Women (UNIFEM) programme of $1.5 million and a small domestic development services (DDS) programme aimed at fielding 10 DDS field workers.

5. UNDP post-independence assistance to Namibia indicates that its comparative advantage lies in all areas of training and capacity-building to help the Government to overcome major constraints, including weak human and institutional capacity to carry out national and sectoral policy formulation and to translate development objectives into operational programmes.

6. The Government has agreed in principle to have a round-table conference and a National Technical Cooperation and Assessment Programme (NaTCAP), but only after approval of the first medium-term development plan, which is expected to be ready in the second half of 1994.

7. UNCDF and UNSO have, in accordance with Assembly resolution 46/204, undertaken preliminary missions to Namibia and have indicated their willingness to provide assistance in the future. The UNCDF mission that visited Namibia in March 1992 identified the following areas of intervention within UNCDF's mandate as likely to have maximum impact: housing, health (infrastructure); industry and trade (support to small-scale enterprises and producers); transportation and agriculture. The UNSO mission to Namibia was undertaken in May 1992 and identified areas for UNSO's initial activities, including strengthening or establishment of an inter-ministerial coordinating and monitoring mechanism for the management of national resources and the environment; elaboration of a strategic framework for developing and implementing activities dealing with the protection and management of natural resources; and strengthening national capacity for drought preparedness and recovery on a medium- and long-term basis. The mission recommended that UNSO future interventions would be in support of UNDP anti-desertification activities or programmes, in the absence of its own direct mandate for the country.

8. Development financial institutions that have responded to the resolution are the International Fund for Agriculture Development (IFAD) and the African Development Bank (ADB). IFAD is hoping to conclude an agreement with the Government of Namibia for a $12.5 million loan to support the development of livestock in the northern part of the country where the majority of the people live, on a soft-term basis interest rate of 3.75 per cent compared to their normal rate of 8 per cent. The African Development Fund of ADB has concluded an agreement with the Government for a loan of 36 million rand at no interest with only a 0.75 per cent service charge to be paid after a 10-year grace period over 40 years. The loan is to support the development of education in the country.

9. Namibia still cannot obtain IDA loans at concessionary terms from the World Bank because the Bank does not recognize the assumed LDC status of the country. Namibia is not undergoing any structural adjustment programme.

10. The factors that contributed to the adoption of resolution 46/204 are long-lasting and cannot be changed or modified easily in the short run. Given the situation that the majority of the Namibian population have incomes that are far below the national average, and this is in spite of the existence of a few people who enjoy a very high standard of living, it is necessary for the United Nations to continue to give Namibia the "as if" LDC status to facilitate the country's efforts at mobilizing development resources.